



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 89** HLS 10RS 715
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 8, 2010	4:53 PM	Author: LEGER, WALT III
Dept./Agy.: Corrections		
Subject: Work Release		Analyst: Matthew LaBruyere

CORRECTIONS

EG INCREASE LF RV See Note

Page 1 of 1

Establishes a rate of deduction regarding costs of participating in work release programs

The proposed legislation increases the allowable rate that may be deducted from a work release inmate’s gross wages to cover room, board, and other administrative costs from participation in a work release program from 50% to 70%; and includes incidental costs as being subject to such deduction. It also provides that the secretary of the Department of Public Safety and Corrections establish the rate of deduction.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

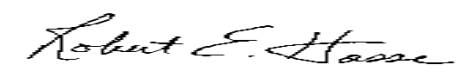
The proposed legislation may result in an indeterminable increase in local government revenues.

Currently, offenders assigned to a work release program have either 50% of their wages or \$50 per day, whichever is less, deducted by the work release program and pay \$4.50 for transportation and \$8.00 per day for incidentals. The proposed legislation increases the allowable deduction amount from 50% or \$50 per day to 70% of gross wages, which will include room and board, transportation, and incidental costs. The deduction amount is collected directly by the work release programs; thus there will be no impact on the Department of Public Safety and Corrections.

To the extent the deduction rate is increased and the \$4.50 transportation cost and \$8.00 per day cost for incidentals is removed, work release programs operated by local government entities’ revenue collection may increase depending on the offender’s work release wage.

For illustrative purposes, if an offender is making \$15.00 per hour, working 8 hours a day, the work release program currently collects \$62.50 per day from the offender (\$50 per day costs (since lower than 50% wage deduction of \$120) + \$8 incidental cost + \$4.50 transportation cost). If the offender is making \$7.50 per hour working 8 hours a day, the work release program currently collects \$42.50 per day from the offender ((\$7.50/hour x 8 hours x 50% wage deduction) + \$8 incidental cost + \$4.50 transportation cost).

With the proposed legislation, by deducting 70% of gross wages and no \$4.50 transportation cost and \$8 incidental cost, a work release program would collect \$84 per day from an offender making \$15 per hour working 8 hours a day (\$15/hour x 8 hours x 70% = \$84). An increase of \$21.50 would be collected per day. For an offender making \$7.50 per day working 8 hours a day, a work release program would collect \$42 (\$7.50/hour x 8 hours x 70% = \$42). In this instance, a decrease of \$0.50 would be realized per day. To the extent the offender earning \$15 per hour and the offender earning \$7.50 worked within the same program, an increase of \$21 would be realized by the work release program. A work release program with any offender earning \$8 per hour or more will realize an increase in revenues from that offender.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	Robert E. Hosse
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	LFO Staff Director